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Your path to professional trading starts here™

How to Play The Almighty Breakout

With uncanny accuracy

Booth 924

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Copy of Presentation

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Two Main Breakout Facts

Fact 1:

Breakouts are amongst some of the most powerful, profitable plays in existence

Fact 2:

72% of all Breakouts Fail

Breakout Question 1

Question 1:

So how can breakouts be so powerful and profitable if most don't work?

Answer:

The 28% that do work do so in a major way. Big Profits!

Breakout Question 2

Question 2:

So how can one distinguish between those breakouts that are likely to fail, versus those which will likely soar?

Answer:

By the end of this educational session, you'll know which breakouts to buy and which to by-pass.

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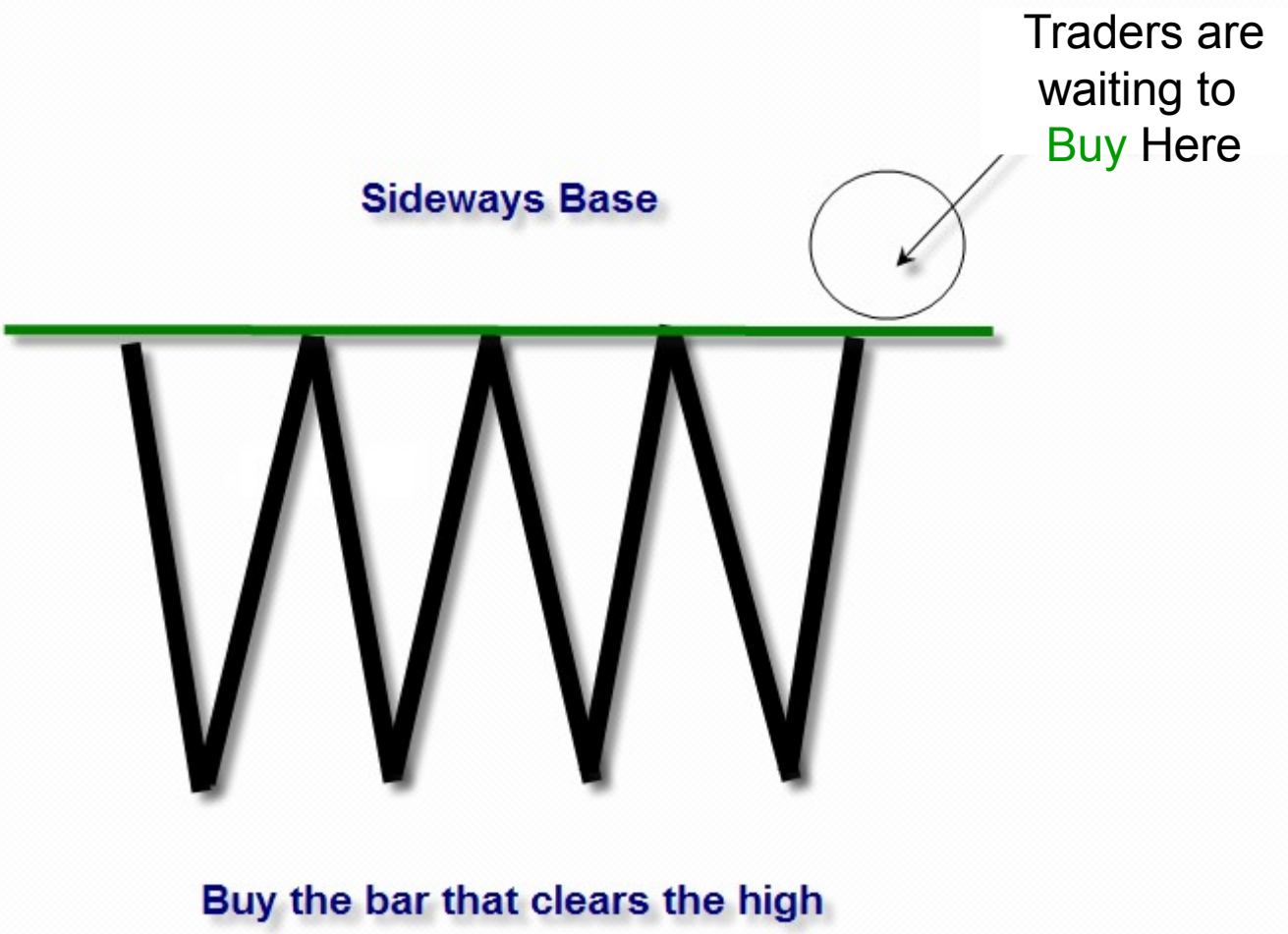
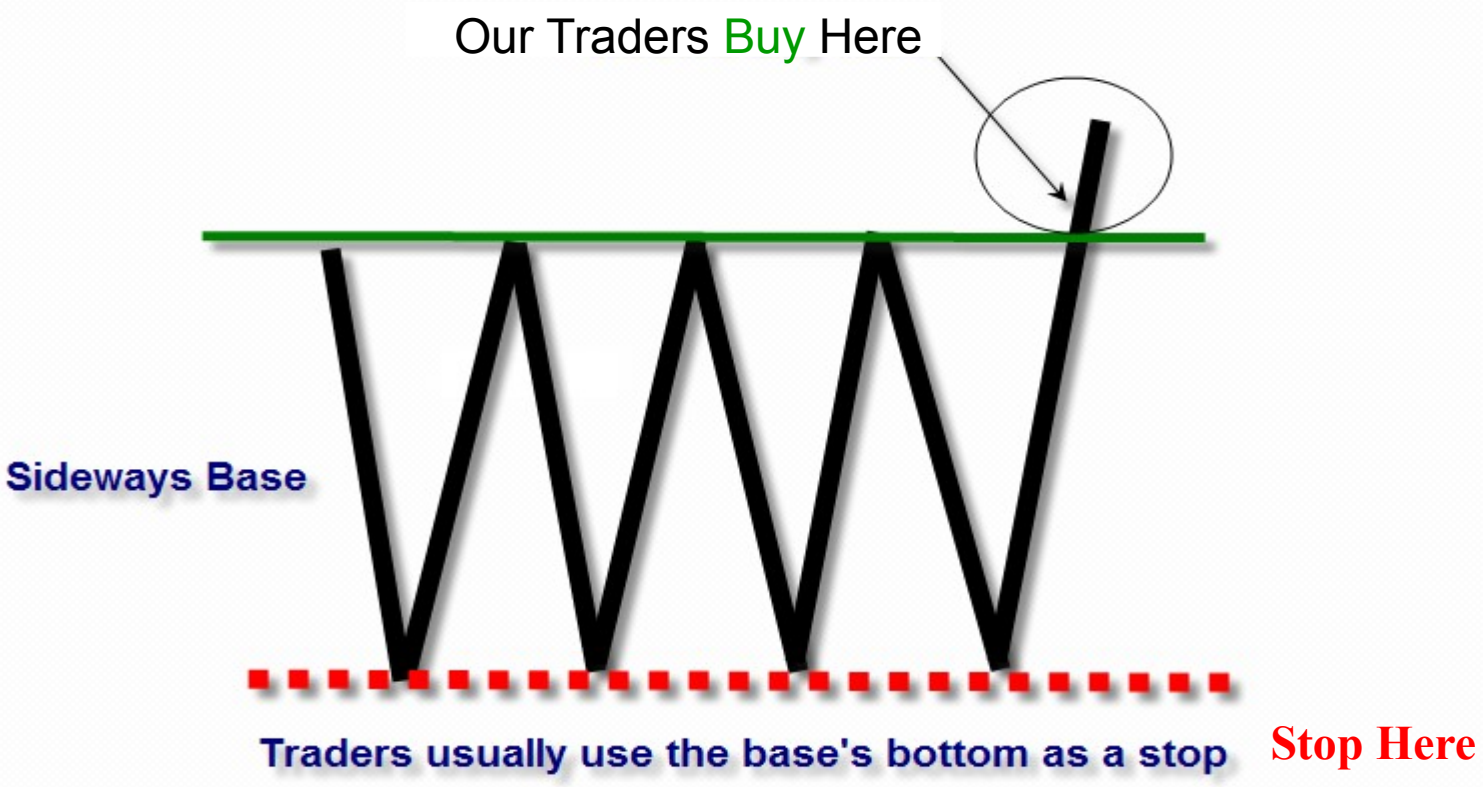
The Traditional Breakout



iFund Traders Tip:

You need a minimum of three relatively equal highs and lows to have a true consolidating base.

The Traditional Breakout



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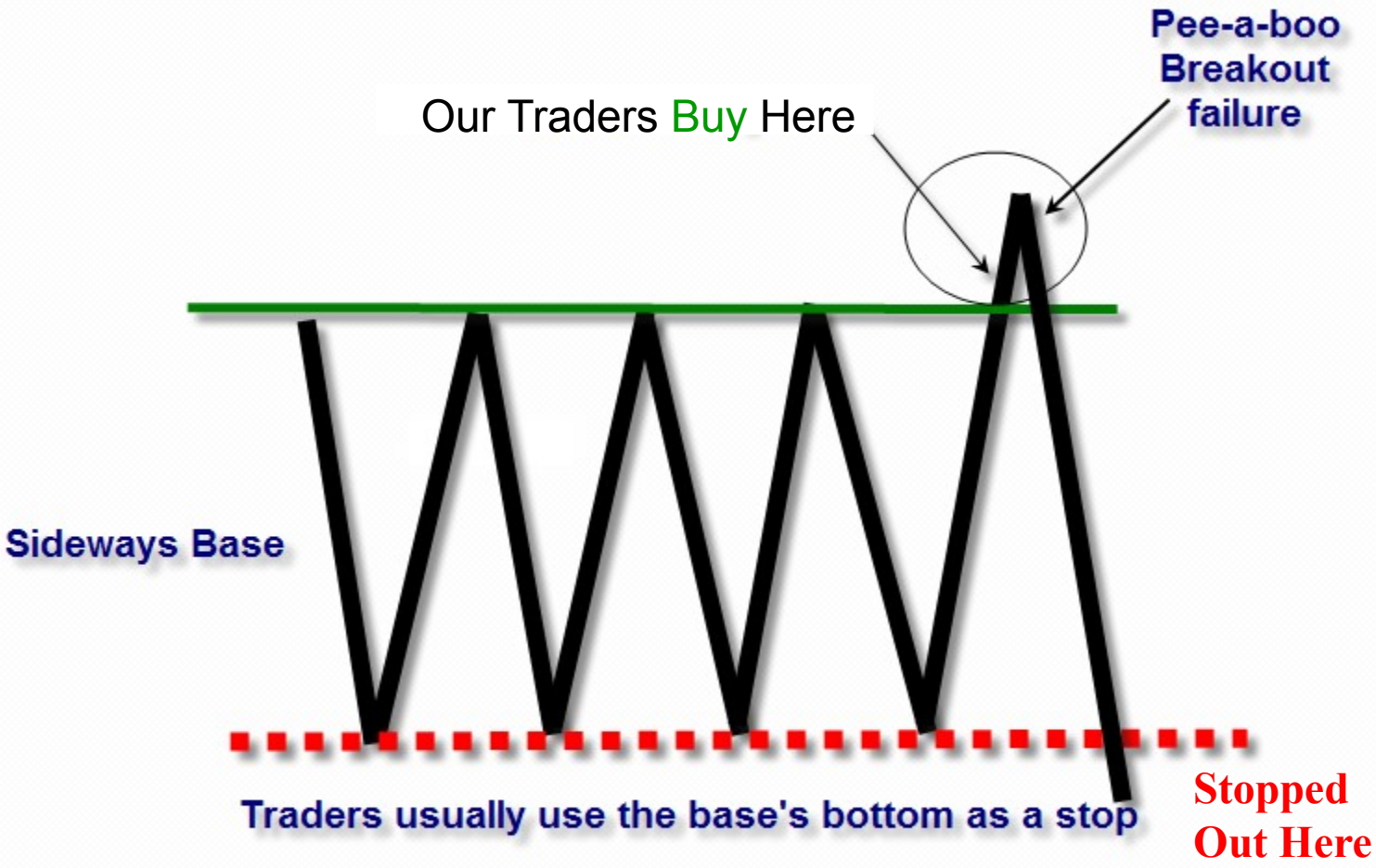
The Traditional Breakout



What's the culprit? What went wrong?

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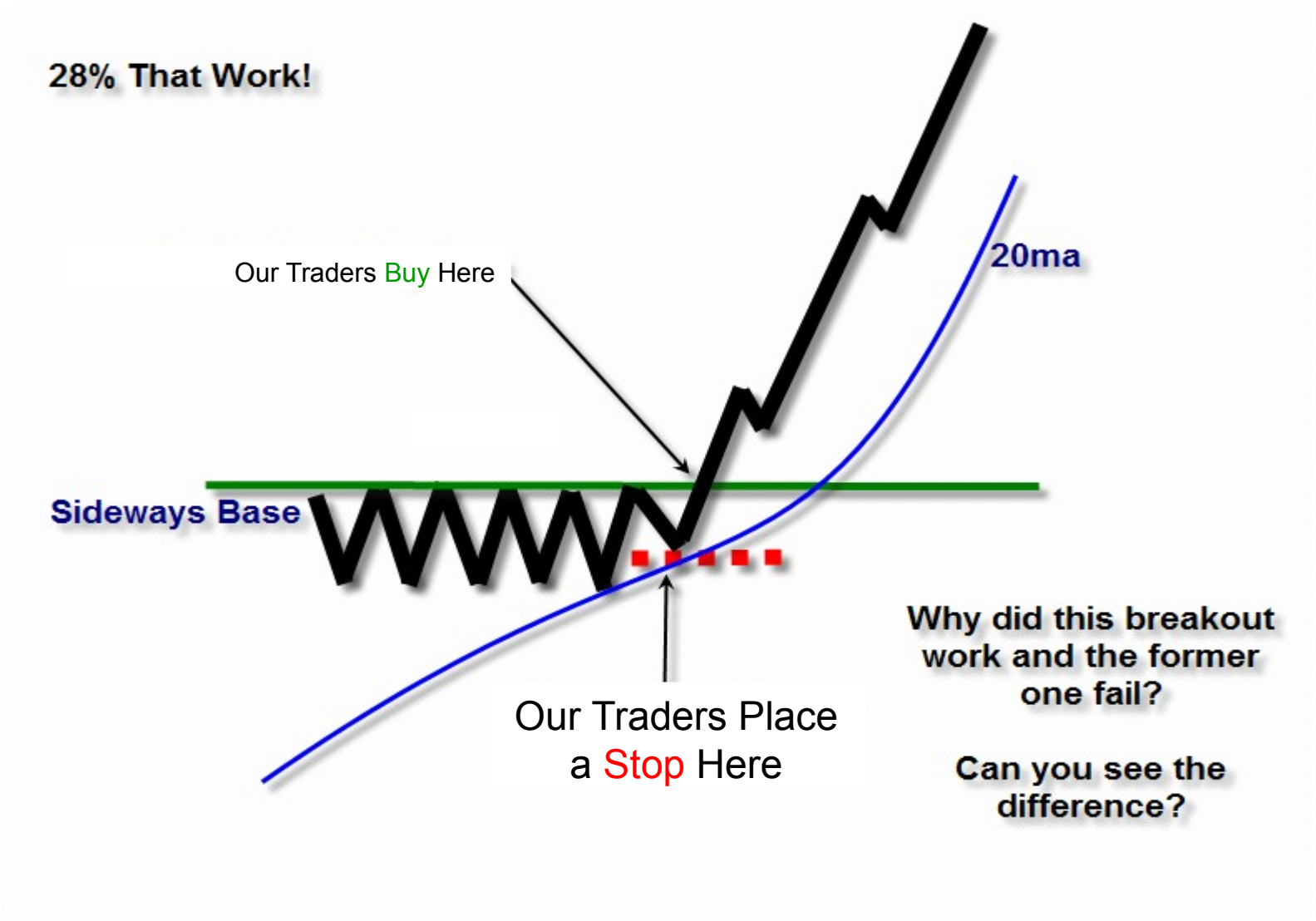
The iFund Traders Breakout


28% That Work!
Our Traders Buy Here
20ma
Sideways Base
Our Traders Place a Stop Here
Why did this breakout work and the former one fail?
Can you see the difference?

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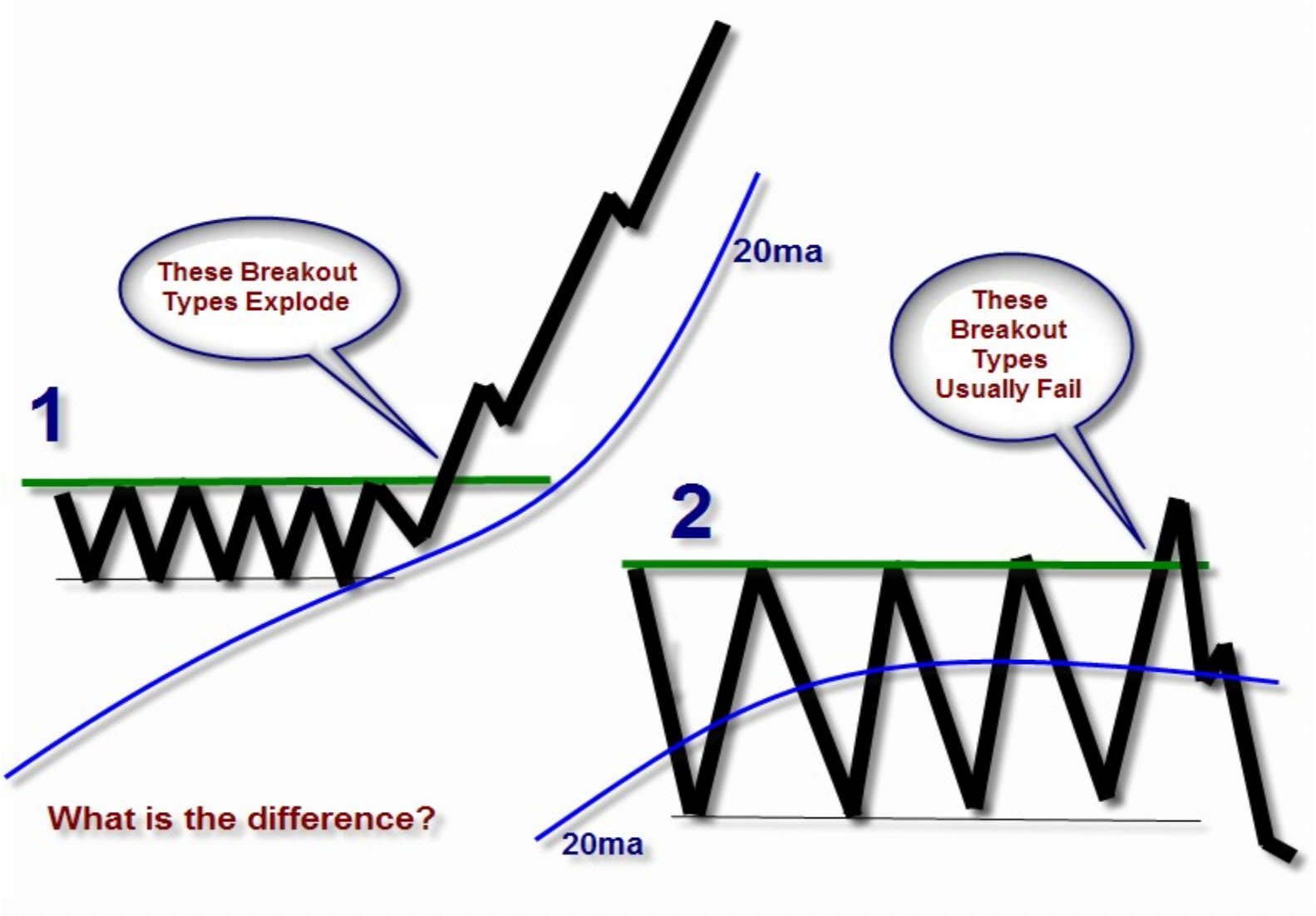
The iFund Traders Breakout



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iFund Traders Breakout Play (BOP)

PATTERN SETUP

1. The sideways base can occur in an established uptrend or after a downtrend
2. The base should be narrow and thin, not wide and whippy
3. The bars in the base should be small and narrow, no wide range
4. The volume during the base should be light, not heavy
5. The 8ma and/or the 20ma should ideally be rising during the base's formation

BUY ACTION

6. Buy the bar that breaks above the last 2/3s of the base
7. Place a stop .01 below the breakout bar (the entry bar's low).
8. Project the length of the base upward for target, if there is no prior reference point.

IMPORTANT POINTS

9. The best breakouts occur at or near the point of contact with the rising 20ma/8ma
10. A iFund Traders buy Set-up at the bottom of a base can be an early buy opportunity for the watchful trader, if the VBS is occurring at or the rising moving average.
11. We play BOPs more on 2- and 5-minute charts when scalping
12. A Pause (Base) VS a Top – When a Base Is a Top and not a Pause:
    a. Pauses (bases) are narrow; Tops are wide and whippy
    b. Pauses (bases) have small bars; Tops have big wide range bars
    c. Pauses (bases) have light volume; Tops have big volume
    d. Pauses "usually" don't cross the 20ma by much; Tops cross below it.

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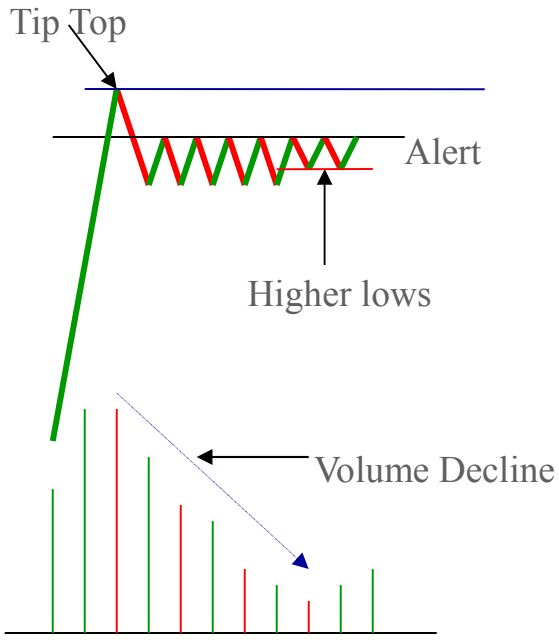
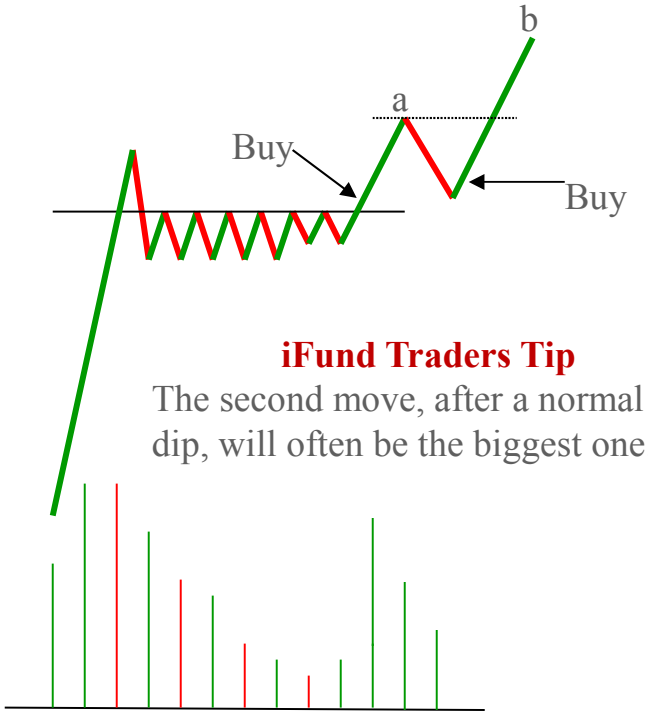
iFund Traders Breakout Play (BOP)

iFund Traders Breakout Play – This buy tactic will be the iFund Traders second most frequently traded event. On many days, it will be the only pattern traded, as stocks tend to spend the majority of their intra-day time drifting sideways in bases. Therefore, this is a tactic that must be mastered..



Pattern Set-up



iFund Traders Tip

The second move, after a normal dip, will often be the biggest one.

Buy Action

Trading Note: Bases that are tight and narrow with declining volume, rising lows and a rising 8ma and/or 20ma produce the highest odds of exploding to the upside, once they clear the over head resistance. Keep in mind that these "pauses" are not negative, despite the apparent loss of momentum. They simply serve as pit stops on the way to higher ground. In essence, they give the stock the ability to rest and rejuvenate before another big advance begins. The iFund Traders Breakout Play is a staple amongst our traders.

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Breakout Play (BOP)

Chart Courtesy of iFund Traders Pro™

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5-min Breakout Play (BOP)

A tight sideways pause (time consolidation) into a rising 20ma will tend to blast off right at or near the point of the contact with the r20ma. If the price were to go beyond the 20ma, and the 20ma were to go flat, the odds increase that the base is a stage 3, not a pause.

Chart Courtesy of Realtick®

A Testimonial

Fernando Yukio Chiquette
maringa, brazil

Member since: Apr 1st, 2010

Oliver's Trading Style is brillant, amazing. His simple and efficient trading philosoy opened my eyes for hidden things, things that only experience of a Master Trader can see. Thank You very much.

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Breakout Play (BOP)

AMZN 68.450 +0.150 68.300x6
VOL(AMZN) 200
SMA(20,AMZN) 62.393
SMA(200,AMZN) 39.312
Daily Day Chart Amazon com - AMZN 68.450 AvgVOL 10,031k
SMA(20,AMZN) 62.393
SMA(200,AMZN) 39.312
Narrow bases that drift toward a rising 20ma, often produce strong surges. We call these thin bases, time consolidations. They accomplish the same thing that dips do. The allow for a hot stock to cool off and prepare for the next move.
Tip 1: The strength of the breakout is often determined by how tight and narrow the base is.
Tip 2: During tight bases, the volume should taper off quite significantly. This will suggest that the base is not the result of selling/distribution, but rather a temporary break in an ongoing buying frenzy.
Buy
Stop
20ma
200ma
Volume tapers off
72.00
70.00
68.450
66.00
64.00
62.00
60.00
58.00
56.00
54.00
52.00
50.00
48.00
46.00
44.00
42.00
40.00
38.00
36.00
34.00
32.00
100,000,000
50,000,000
0
Feb2007
b20 Feb27 Mar06 Mar13 Mar20 Mar27 Apr03 Apr11 Apr18 Apr25 May02 May09 May16

Chart Courtesy of iFund Traders Pro™

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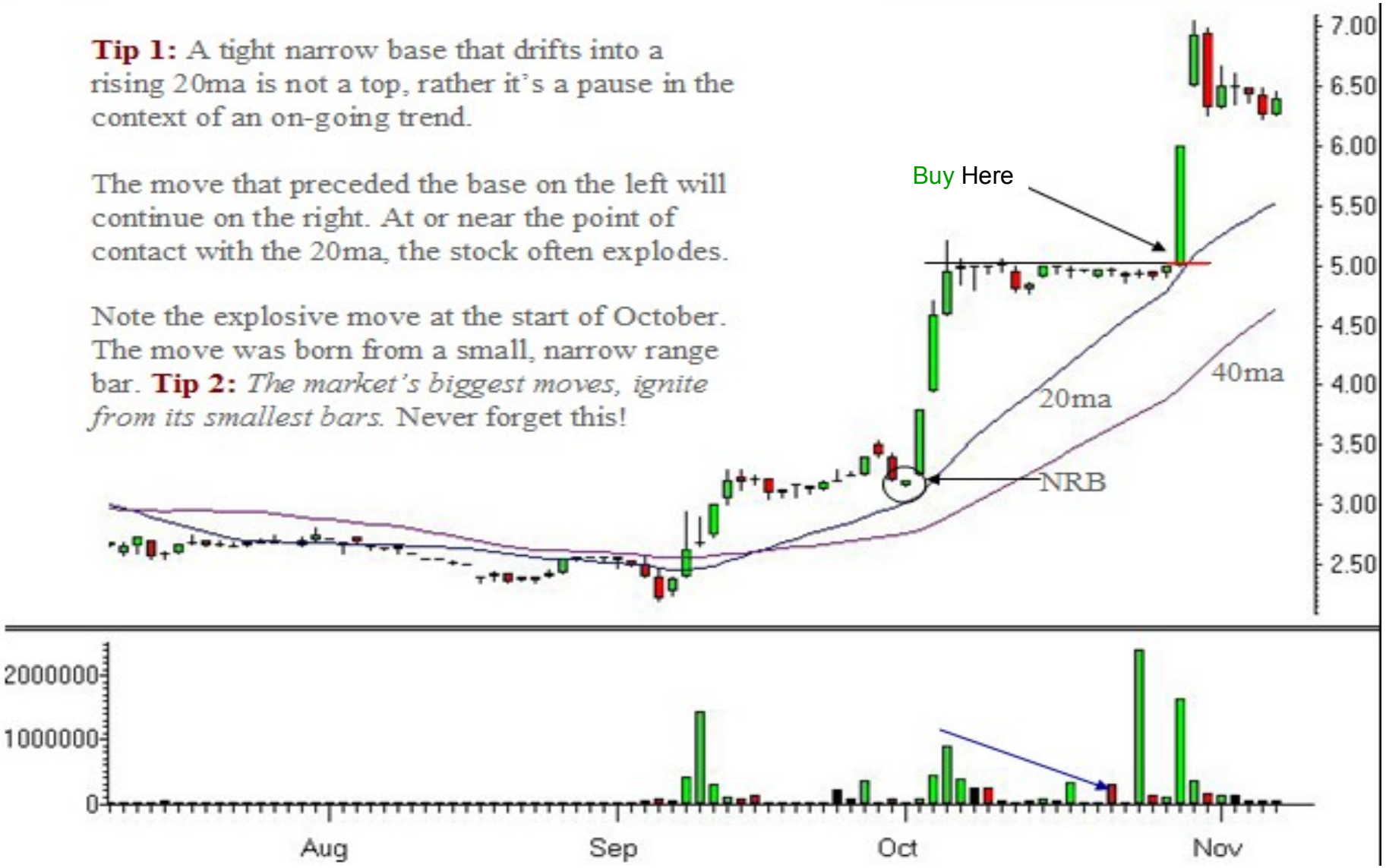
Daily Breakout Play

Tip 1: A tight narrow base that drifts into a rising 20ma is not a top, rather it's a pause in the context of an on-going trend.

The move that preceded the base on the left will continue on the right. At or near the point of contact with the 20ma, the stock often explodes.

Note the explosive move at the start of October. The move was born from a small, narrow range bar. **Tip 2:** *The market's biggest moves, ignite from its smallest bars.* Never forget this!



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Breakout Play (BOP)

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Breakout Play (BOP)

Charts Courtesy of iFund Traders Pro®

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Breakout @ 8ma

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Breakout Play (BOP)

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A Testimonial

Laurie Noonan
Ann Arbor, USA

Member since: Dec 30th, 2008

Oliver, You have forever changed my life! I am on the road to total financial freedom. I am now able to trade my retirement accounts with amazing success. I no longer feel the need to pay for a financial planner. This has happened because of your vision for and gift to those willing to receive it. Thanks from my heart.
Laurie N.

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Breakout Play (BOP)

Charts Courtesy of iFund Traders Pro®

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Breakout Play (BOP)

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Breakout Play (BOP)

Charts Courtesy of iFund Traders Pro®

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5-min Breakout Play (BOP)

Tight sideways patterns above the 20ma during midday doldrums often lead to breakouts that run to overhead resistance points, such as the 200ma.

Chart Courtesy of Realtick®

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Breakout Play (BOP)

A Testimonial

Judy MacFarland
Pompano Beach, US

Member since: Oct 1st, 2007

ifundtraders is an amazing trading program. I am so blessed to have this opportunity to learn to trade from Oliver Velez. He is not only a master trader, but a superb communicator. As an RN, I had no prior trading knowledge or experience. I am now on my way to financial freedom and I will be forever grateful to Oliver. I am in the daytrading Equity and Forex programs, as well as the longer term Trade for Wealth program. I highly recommend all 3. Thanks, Oliver...you are the best!